

AMENDED IN ASSEMBLY JULY 10, 2007

AMENDED IN SENATE MAY 10, 2007

AMENDED IN SENATE APRIL 12, 2007

AMENDED IN SENATE MARCH 26, 2007

**SENATE BILL**

**No. 630**

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**Introduced by Senator Aanestad**

(Principal coauthor: Assembly Member Arambula)

**(Coauthor: Senator Cogdill)**

(Coauthors: Assembly Members Jeffries and La Malfa)

February 22, 2007

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An act to add Section 15819.70 to the Government Code, and to ~~repeal~~ *amend* Section 4 of Chapter 252 of the Statutes of 1998, relating to public works, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 630, as amended, Aanestad. Public works.

(1) The State Building Construction Act of 1955 authorizes the State Public Works Board to acquire or construct public buildings and to issue revenue bonds, negotiable notes, and negotiable bond anticipation notes to finance that construction. Existing law authorizes the State Public Works Board to issue \$162,000,000 in lease-revenue bonds, notes, or bond anticipation notes pursuant to that law to finance the acquisition, design, construction, establishment, equipping, renovation, or expansion of veterans' homes at Yountville, Barstow, Chula Vista, Lancaster, Saticoy, and West Los Angeles, and in Fresno County and Shasta County, as provided. Existing law continuously appropriates

funds derived from the sale of these instruments to the board, on behalf of the Department of Veterans Affairs, for this purpose.

This bill would appropriate \$30,000,000 from the Public Buildings Construction Fund to the Department of Veterans Affairs, to finance the acquisition, design, construction, establishment, equipping, renovation, or expansion of the veterans' homes, as specified, and would also authorize the board to issue additional lease-revenue bonds, notes, or bond anticipation notes for that purpose. This bill would appropriate additional funds from the Public Buildings Construction Fund, as specified, to the Department of Veterans Affairs, in order to finance specified projects that are ready to proceed to bid for which there are insufficient funds in the federal appropriation, and would require the federal funds, when they become available and are received, to be used to reimburse any interim financing, as provided.

This bill would condition any issuance of bonds or notes for these purposes upon priority 1 placement on the United States Department of Veterans Affairs State Home Grant Program Priority List.

(2) Existing law authorizes the Director of General Services, when authorized by the Legislature, to use the design-build procurement process for a specific project, to contract and procure state office facilities, other buildings, structures, and related facilities, as provided, and requires the director, prior to contracting for the procurement of state office facilities and other state buildings and structures, to prepare a program setting forth the scope of the project and to establish a competitive prequalification process, as provided. Existing law, with specified exceptions, prohibits the expenditure of funds appropriated for a design-build project, until the Department of Finance and the State Public Works Board have approved performance criteria or performance criteria and concept drawings for the project, as specified, and reverts any appropriated amounts for the design-build phase of a design-build project, where the funds have been expended on the design-build phase by any state agency prior to this approval, to the fund from which the appropriation was made. Existing law provides that these provisions shall only remain operative until the completion of ~~certain~~ *at least 5* design-build projects, *as specified*, or January 1, 2006, whichever occurs later.

This bill would ~~repeal the provision that makes these provisions inoperative, thereby extending the design-build procurement process and related provisions indefinitely~~ *instead authorize the Director of General Services to enter into only 7 design-build contracts pursuant*

*to these provisions, as specified, and would be effective July 1, 2009, provide that these provisions shall only remain operative for these 7 design-build projects.*

(3) This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. The Legislature hereby finds and declares both  
2 of the following:

3     (a) Due to contract bids for the three Southern California  
4 veterans' homes exceeding the original amount estimated by the  
5 Department of Veterans Affairs, additional funding is needed for  
6 the construction and completion of new veterans' homes in ~~Shasta~~  
7 ~~and Fresno~~ *Fresno and Shasta* Counties.

8     (b) Therefore, thirty million dollars (\$30,000,000) in  
9 lease-revenue bonds, as provided by this act, is necessary for the  
10 construction and completion of new veterans' homes in ~~Shasta~~  
11 ~~and Fresno~~ *Fresno and Shasta* Counties.

12     SEC. 2. Section 15819.70 is added to the Government Code,  
13 to read:

14     15819.70. (a) (1) There is hereby appropriated thirty million  
15 dollars (\$30,000,000) from the Public Buildings Construction Fund  
16 to the Department of Veterans Affairs for the acquisition, design,  
17 construction, establishment, equipping, renovation, or expansion  
18 of the veterans' homes specified in Section 15819.60.

19     (2) The State Public Works Board may issue lease-revenue  
20 bonds, notes, or bond anticipation notes pursuant to Chapter 5  
21 (commencing with Section 15830) to finance the acquisition,  
22 design, construction, establishment, equipping, renovation, or  
23 expansion of the veterans' homes specified in Section 15819.60.

24     (3) The Department of Veterans Affairs is authorized and  
25 directed to execute and deliver any and all leases, contracts,  
26 agreements, or other documents necessary or advisable to  
27 consummate the sale of bonds or otherwise effectuate the financing  
28 of the scheduled projects.

29     (b) The amounts specified in subdivision (a) shall be available,  
30 in addition to any federal funds or other state funds available, for

1 the acquisition, design, construction, establishment, equipping,  
2 renovation, or expansion of the veterans' homes specified in  
3 Section 15819.60.

4 (c) The issuance of bonds or notes under this section is  
5 contingent upon priority 1 placement on the United States  
6 Department of Veterans Affairs State Home Grant Program Priority  
7 List.

8 (d) In anticipation of federal matching share funding available  
9 pursuant to the State Veterans' Home Assistance Improvement  
10 Act of 1977 (38 U.S.C. Sec. 8131 et seq.), the board and the  
11 Department of Veterans Affairs may obtain interim financing for  
12 the project costs authorized in Section 15819.60 from any  
13 appropriate source, including, but not limited to, the Pooled Money  
14 Investment Account pursuant to Sections 16312 and 16313.

15 (e) In the event that any project authorized by Section 15819.60  
16 and given priority 1 status on the United States Department of  
17 Veterans Affairs State Home Grant Program Priority List is ready  
18 to proceed to bid but there are insufficient funds in the federal  
19 appropriation, an amount equal to the anticipated federal grant, as  
20 shown on the most current participation document, shall be  
21 additionally appropriated from the Public Buildings Construction  
22 Fund to the Department of Veterans Affairs. As the federal funds  
23 become available and are received, they shall be used to first  
24 reimburse any interim financing, as authorized by subdivision (d),  
25 that are still outstanding for those projects. If no interim financing  
26 is outstanding, the funds shall first be used to redeem or defease  
27 any bonds issued for those projects, and secondly to offset debt  
28 service payments.

29 (f) In the event that the bonds authorized for projects in Section  
30 15819.60 are not sold, the Department of Veterans Affairs shall  
31 commit a sufficient portion of its current support appropriation,  
32 as determined by the Department of Finance, to repay any interim  
33 financing. It is the intent of the Legislature that this commitment  
34 be made until all interim financing is repaid either through the  
35 proceeds from the sale of bonds or from an appropriation.

36 (g) (1) Notwithstanding Section 13340, all funds appropriated  
37 pursuant to this section shall be continuously appropriated to the  
38 Department of Veterans Affairs for the projects authorized by  
39 Section 15819.60.

(2) In addition to the funds appropriated pursuant to this section, the federal matching funds available pursuant to the State Veterans' Home Assistance Improvement Act of 1977 (38 U.S.C. Sec. 8131 et seq.) are hereby continuously appropriated to the Department of Veterans Affairs for the projects authorized by Section 15819.60.

(h) The board shall not itself be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (commencing with Section 15800). This subdivision does not exempt any participating agency or department from the requirements of the California Environmental Quality Act, and is intended to be declarative of existing law.

~~SEC. 3. Section 4 of Chapter 252 of the Statutes of 1998 is repealed.~~

*SEC. 3. Section 4 of Chapter 252 of the Statutes of 1998 is amended to read:*

*Sec. 4. The Director of General Services may enter into only seven design-build contracts pursuant to Sections 2 and 3 of this act shall remain operative only until the completion of at least five design-build projects, each with a value of ten million dollars (\$10,000,000) or more, or until January 1, 2006, whichever occurs later. Two of these seven contracts shall be for the new veterans' homes in Fresno and Shasta Counties. Effective July 1, 2009, the provisions of Sections 2 and 3 of this act shall only remain operative for the seven design-build projects specified in this section.*

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to equip, design, and construct various veterans' homes at the earliest possible time, it is necessary that this act take effect immediately.